

CHAPTER 26

TAXATION

HOUSE BILL 14-1074

BY REPRESENTATIVE(S) Court and DelGrosso, Becker, Fields, Gerou, Hamner, Hulinghorst, Kraft-Tharp, Labuda, Melton, Pabon, Pettersen, Schafer, Tyler, Williams, Young, Ferrandino, Rosenthal, Ryden, Vigil;
also SENATOR(S) Johnston, Kefalas.

AN ACT

CONCERNING PAYMENTS THAT A NONPROFIT OWNER OF A TAX-EXEMPT PROPERTY MAY RECEIVE FOR REASONABLE EXPENSES INCURRED WITHOUT AFFECTING THE TAX-EXEMPT STATUS OF THE PROPERTY.

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. In Colorado Revised Statutes, 39-3-116, **amend** (2) (c) as follows:

39-3-116. Combination use of property - charitable, religious, and educational purposes - exemption - limitations. (2) In the event that such property is used by any person or organization other than the owner:

(c) The amount received by the owner for the use of such property specified in sections 39-3-107 to 39-3-113.5, other than from any shareholder or member of the owner or from any person or organization controlled by an organization which also controls such shareholder or member, ~~shall~~ **MUST** not exceed one dollar per year plus an equitable portion of the reasonable expenses incurred in the operation and maintenance of the property so used. For purposes of this paragraph (c), reasonable expenses ~~shall~~ **include** interest expenses, DEPRECIATION, LONG-TERM MAINTENANCE EXPENSES ALLOWED IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES, CAPITAL EXPENSES DEDICATED TO REFURBISHING THE PROPERTY, AND EXPENSES INCURRED TO ALLOW THE PROPERTY TO CONSERVE ENERGY, WATER, OR OTHER NATURAL RESOURCES, but ~~shall~~ **DO** not include ~~depreciation~~ or any amount expended to reduce debt.

SECTION 2. Applicability. This act applies to property tax years commencing on or after January 1, 2014.

Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.

SECTION 3. Safety clause. The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Approved: March 14, 2014